



Annual Monitoring Report

on the Operations of Addax Bioenergy by
Sierra Leone Network on the Right to Food (SiLNoRF)
For the Period July 2012 – July 2013



Written in cooperation with





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Executive Summary

This monitoring report intends to provide an **overview of the information and facts collected by SiLNoRF** on the operations of Addax Bioenergy since the publication of the “Independent Study Report” in June 2011 and the publication of the last Monitoring Report in August 2012. The period covered by this report is from **July 2012 to July 2013**.

The report starts with the following **positive changes** that SiLNoRF can confirm have taken place during the period under review:

- There has been an **increase of household income in villages close to the future ethanol factory of Addax**. These villages provide many workers to Addax
- **Addax was open for dialogue** with its stakeholders in Sierra Leone;
- Addax **paid the land lease fees** according to the provisions of the Land Lease Agreements and the **compensation payments** for destroyed crops and economic trees;
- Addax **constructed a new water well in 2013 in the Romaro** community (more than two years after Addax altered a water source in the community);
- there is an **increase in the number of workers employed by Addax and its contractors**. Salaries are **higher than the minimum wage** in Sierra Leone. Addax workers have **written work contracts; they are provided with medical treatment in case of accidents**.
- Addax **ploughed and harrowed community fields as part of the Farmer Development Programme (FDP)** in every affected community in 2012. In Woreh Yeama in 2012, Addax did plough a larger FDP field than in 2011 as the land dispute with a neighbouring village has been resolved (this dispute hindered Addax to plough the needed area in 2011).
- Addax agreed to sign an additional Acknowledge Agreement (AA) with the Masetleh community that asked for a document committing the **company to only use a smaller portion (demarcated land), rather than the whole village area**.
- Addax **constructed many new roads to enhance their operations** but these roads can also be used by communities.

The report continues with the **many issues which still remain of concern** to SiLNoRF, the Affected Land Users Associations (AfLUAs) and Bread for all and **calls on the parties responsible to address them**.

- **Lack of prior and informed consent on the land lease agreement:** Land owners claimed that from the start, both Addax and local authorities said that only degraded and marginal lands would be used for the project. Most importantly, the lease covered entire villages including residential areas, roads, forests, etc., even though Addax operations are limited to smaller areas. **Land owners and inhabitants said that it was never their intention to lease their entire community land to Addax**.
- **Commons:** The lease did not deal in a fair and efficient manner with the issue of shared resources. It grants the company exclusive possession over ‘villages, rivers



and forests and all other forms of environment'. The company has the exclusive right to determine which resources will be shared and which ones it will use exclusively. **Community members were dissatisfied with this arrangement as it left them 'at the mercy' of the company.** Since they rely heavily on the resources from the forest, rivers, lakes, natural ponds, etc., they would have objected to this clause had they known.

- **Rent:** Landowners complained that the **rent paid by Addax per acre did not reflect the benefit they were giving up. They requested for a renegotiation of the rent claiming that the amount was fixed without consulting them.** The rent, like all the other clauses of the lease, should be the subject of negotiation not imposition.
- **Social obligations:** Many communities raised the issue of '**promises**' by Addax and local leaders to provide one or more of the following: **jobs, boreholes, schools, clinics and community centres. Communities expressed disappointment that their expectations were raised and then dashed.** They bemoaned the lack of any enforceable written commitment from Addax on these issues and their consequent inability to hold the company accountable.
- **Community members at Lungi Acre** reported that a member of parliament **promised that Addax would use the bolilands¹ in their village only for a period of 3 years** and this period of 3 years terminates in 2013. Addax claims that it has never made this promise. This is a potential source of conflict.
- In February 2013, **NAMATI² and its programme director have been appointed by more than 35 landowning families** across the three Chiefdoms **to represent their interest in negotiations with Addax.**
- Therefore, **NAMATI and SiLNoRF are engaging Addax and the respective Chiefdom Councils in good faith re-negotiations with a view to securing an amendment of the Land lease.** Addax has shown a willingness to renegotiate as exemplified by the Masethele rearrangement.
- Despite the fact that **Addax always stated that it will avoid displacement, 50 people were displaced in February 2013.**
- Addax states that the Farmer Development Programme (FDP) has resulted in a harvest of 2'200 metric tonnes of rice. Community members reported that the weightings of the harvested rice were biased as many rice bags contained leaves and stems. Moreover, only 30% of the whole harvest was weighted. Therefore, this **figure of 2'200 tonnes is largely overstated.** Many communities interviewed indicated that the **2012 rice harvests on the FDP fields were low and therefore not sufficient to ensure their food security.** The **FDP relies on expensive external inputs.** Instead, the FDP should promote **sustainable, low-input farming systems.**
- Under the FDP, Addax is helping communities with harrowing during the first three years. During the fourth year, farmers have to pay the full costs. However, the question posed by the farmers is whether **they be able to pay the full costs from**

¹ Bolilands are seasonal swamps that are used for rice cultivation.

² An organization that implements innovative legal empowerment interventions in partnership with governments and civil society organizations in several countries including Sierra Leone. More information under: www.namati.org.



the fourth year on? In 2013, more than 150 farmers were kicked out of the FDP because they failed to pay back the costs of ploughing and seeds to Addax.

- Addax trains farmers in a 30 week training programme. However, farmers **encountered difficulties in putting into practice** what they have learnt because they lack the productive resources.
- Addax Bioenergy altered the water source of the Romaro community and the Madrisa community in May 2011. The **water well for the Romaro community has been completed in 2013 (more than two years after their water source was altered by Addax). However, the Madrisa community has no water well yet.** In Woreh Yeama, where Addax constructed a water well as a mitigation measure, the community asked for a **written agreement from Addax obliging the company to maintain and repair the water well.**
- Two water samples showed that surface water was **polluted by phosphate coming from chemical fertilizers.** The water was also **polluted by Diuron, an herbicide that is banned in France and that the EU considers as being part of dangerous substances that will be banned progressively.**
- Addax will use **25% of the Rokel river flow during the driest months** (February to April).
- SiLNoRF has declined to serve in the multi stakeholder monitoring committee of the Multi-Stakeholder Forum facilitated by the University of Makeni **because the independence and impartiality of this committee has been hijacked by Addax** because “Addax has to give its consent” before the committee could investigate any complaint and issue brought to it.
- The Addax project will have an **indirect impact on remaining bushes and forests** in and outside the project area. After the company will have **cleared a total of 4’000 hectares of bushes** to make space for the sugarcane fields, **charcoal producers will turn to the remaining bushes and/or forests in and outside the project area to produce charcoal.**
- **An increase of mosquitoes** has been observed now that Addax fields are irrigated during the dry season, leading to an **increase in malarial infections.**
- Several workers strikes took place with **violent confrontations between workers and the police.** In May 2013, Addax workers beat three police officers who had beaten a worker. The Addax workers and three police officers were all wounded and brought to hospital for treatment.
- As Addax is providing support to the Sierra Leone Police (SLP), it should **disclose its support to SLP** in detail and refrain from influencing the work of the SLP in its favour.
- Addax should **increase the compensation for destroyed palm trees, as they are too low and do not compensate the land owners for their losses.**
- **USD 135 million will be foregone by Government of Sierra Leone through tax exemptions granted to Addax for 13 years (2009-2022).** Addax is being given generous tax exemptions and fiscal incentives at great expense to the government of Sierra Leone and the population of the country.



The report concludes that, while SiLNoRF acknowledges that **some positive evolutions have taken place during the period under review, there are many issues of concern that need to be addressed as soon as possible**. The report also contains **recommendations** that are directed to the company, policy makers (the government and local authorities) as well as to International Development Finance Institutions.



Introduction

Background to the report

The Right to Food framework in context of Land Grabbing is still very new in Sierra Leone as the country has been more focused on Political and Civil Rights and little attention has been paid to Economic, Social and Cultural Rights (ECOSOC Rights) which made much emphasis on the Right to Food and land rights in Sierra Leone. This has been the key factor for the low level of awareness of people about issues of Right to Food and Land Rights/Land Grabbing.

Through previous engagements and most importantly, in April 2011, SiLNoRF participated in an “Independent Study of the Addax Bioenergy sugarcane-to-ethanol project in the Makeni”³ commissioned by SiLNoRF, Bread for All, EED and Bread for the World. During engagements of SiLNoRF with communities and stakeholders affected by the operations of multinational companies particularly Addax Bioenergy and Magbass Sugar Complex, it was established that the awareness level of the negative impacts posed by the foreign direct investment schemes is very low among residents in communities that are presently affected and those that would be affected in the near future, and it will require a high level of sensitization, awareness raising and direct and continuous engagement with relevant stakeholders to reverse the unfolding trend.

Purpose of the Report

This monitoring report intends to provide an overview of the information and facts collected by SiLNoRF on the operations of Addax Bioenergy since the publication of the “Monitoring Report of on the Operations of Addax Bioenergy of SiLNoRF, covering June 2011-June 2012”⁴ published in August 2012. It describes the positive aspects and evolutions of the project as well as issues of concern to both the communities and SiLNoRF regarding the operations of Addax Bioenergy. It also includes recommendations to the company, the policy makers, the funding banks and other institutions that might be interested in supporting similar investments in future.

Methodology

SiLNoRF used various methods in monitoring the activities of the Addax project. These include:

Focus Group Discussions: SiLNoRF has employed and deployed two field agents in the Addax project communities. These Field Officers work directly with people in affected communities on a daily basis. They held numerous focus group discussions with the project

³ Anane, M. Abiwu, C. 2011. Independent Study Report of the Addax Bioenergy sugarcane-to-ethanol project in the Makeni region in Sierra Leone. Accra. Accessed here: <https://sites.google.com/site/silnorf/news>.

⁴ SiLNoRF 2012. Annual Monitoring Report on the Operations of Addax Bioenergy by the Sierra Leone Network on the Right to Food (SiLNoRF) for the Period June 2011 – June 2012. Accessed here: <https://sites.google.com/site/silnorf/news-1/monitoring-report-july-2012>.



affected community people to solicit feedback from them on the effects (positive/negative) on their daily lives and livelihoods. Information generated from the focus group discussions is verified/clarified by the SiLNoRF Secretariat through observations and sometimes through discussions with Addax.

Multistakeholder Interactive Sessions: SiLNoRF facilitated three (3) Multistakeholder Interactive Sessions in 2012 and two (2) in 2013 involving affected communities, Addax Bioenergy, Local government officials, Civil Society and the media to generate information on issues and concerns emerging from the Addax project. Besides the engagements organised by SiLNoRF, other meetings organised by Addax and the University of Makeni were also attended.

Field Report by SiLNoRF Field Officers: Reports from Field Officers of SiLNoRF were also collated by the secretariat to inform this report.

Complaints by communities: SiLNoRF also received individual complaints and general complaints by some communities in the Addax operational areas which were all collated and analysed to form part of this report.

General Monitoring by SiLNoRF Secretariat: Besides the approaches mentioned above, SiLNoRF Secretariat also made several field visits of the Addax project to corroborate information and to conduct general findings.

Period covered

The period covered by this report is from July 2012 to July 2013.



Picture: Addax sign.



Part I: Positive changes and evolution

In this part, SiLNoRF acknowledges the following positive aspects and evolutions regarding the operations of Addax Bioenergy (SL) Ltd.

Economic development

There has been an increase of household income in Mabilafu, Manewa and Masorie, that are villages close to the future ethanol factory of Addax. These villages provide many workers to Addax. The increased number of zinc roofs and the opening of some restaurants, bars or village shops show the increase of economic activity in these villages.



Picture: new restaurant in Manewa.

Dialogue with stakeholders

SiLNoRF confirms that Addax Bioenergy was open for dialogue with its stakeholders during the period under review. Addax participated in the Multistakeholder Dialogue Forum organised by the SiLNoRF in June 2012 and May 2013 where stakeholders of Addax project such as community members, Chiefdom and District Council members were invited. The company also moved swiftly to address several community disputes in their operational areas. SiLNoRF has held several meetings with Addax on several occasions to discuss concerns and issues raised by the affected community people.

Payment of Land Lease fees

SiLNoRF confirms that Addax Bioenergy paid the land lease fees according to the provisions of the Land Lease Agreements and in some cases witnessed the cheques being issued to landowners. Landowners were confirming having received the land lease payments. Some of them claimed they were able to use these funds to partly or fully finance the rehabilitation of their houses or the construction of new ones.



Payment of compensation for destroyed crops and economic trees

SiLNoRF confirms that Addax Bioenergy made the compensation payments for destroyed crops and economic trees. Landowners were confirming having received the payments. Some of them claimed they were able to partly or fully finance the rehabilitation of their houses or the construction of new ones with money received from the company in this respect. However, land owners reported that the compensations are too low and do not compensate them for their losses (see Issues of concern).

Employment and working conditions

There has been an increase in the number of workers employed by Addax and its contractors during the last months (Addax **reported to have a workforce of 1'500 workers** as of date, 750 are casual workers and 750 permanent workers, 8-10% are female workers⁵). Salaries are higher than the minimum wage in Sierra Leone. Addax workers have written work contracts. Also, according to payslips of the workers, the company is complying with income tax and social security requirements-. Moreover, workers are **equipped with safety gears** (raincoats, safety vests, and boots). The company now has **buses to transport its employees and provided bicycles to some employees at cost.**



Addax workers waiting for their bus and on the field.

Farmer Development Programme

The Farmer Development Programme (FDP) is a mitigation measure of Addax Bioenergy. Addax claims to have developed more than 2'000 hectares of community fields. This report confirms that Addax ploughed and harrowed community fields as part of the Farmer Development Programme in every affected community in 2012, except in Mabilafu (see Food security under Issues of concern). The farmers however reported that the 2012 harvests on the FDP farms were low (see Food security under Issues of concern).

⁵ Direct communication of Derek Higgs, the then Health, Safety, Social and Environment (HSSE) Manager of Addax on May 15, 2013.



In Woreh Yeama in 2011, Addax could only plough 15 ha of FDP fields (instead of the needed area of 50 ha) for this community due to a land dispute that prevented Addax to plough the needed land. In 2012, this dispute was resolved and the company was able to plough the 50 ha. However, the community claims that the rice harvests on this field were low (see Food security under Issues of concerns).

Farmer Field and Life Schools (FFLS)

During this period, a number of community members were trained in the Farmer Field and Life Schools (FFLS) by Addax trainers. Farmers are trained on improved farming practices.

Masethleh community's opposition to Addax resolved

The Masethleh community in the Malal Mara chieftdom of the Tonkolili District is one of the few communities that have refused to lease their entire land to Addax. The Masethleh community asked for an additional Acknowledgement Agreement (AA) between them and Addax committing the company to only use the lands in the demarcated pivoted areas and no other land. During these two years of resistance, the community reported it was facing intimidation and pressure from various groups (including company officials and authorities). In late 2012 however, NAMATI⁶, with support from SiLNoRF, began representing Masethleh in negotiations with Addax over an acceptable compromise for both sides. On **March 2013, the land owners of Masethleh and Addax Bioenergy agreed to sign an AA that the community would acknowledge Addax's leasehold title over 626 acres on which sugarcane would be cultivated instead of the 2796 acres which comprised the entire village. The inhabitants would retain possession of the remaining land.**



Picture: irrigation system for sugarcane field.

⁶ An organization that implements innovative legal empowerment interventions in partnership with governments and civil society organizations in several countries including Sierra Leone. More information under: www.namati.org.



Part II: Issues of concern of SiLNoRF

In the following part, the report describes issues of concern that arose during the period under review.

Lack of consent on the Land Lease Agreement

Introduction

In February 2013, a joint team from NAMATI⁷ and SiLNoRF visited several communities across the three chiefdoms where Addax currently operates. The purpose of these visits was to talk to land owners, elders and community members generally about reported problems resulting from the operations of Addax in their communities. After those engagements, a memorandum capturing complaints, findings and recommendations on the way forward was developed by NAMATI and shared with Addax, the communities and the chiefdom councils of the three chiefdoms where Addax operates. The issues below are culled from the memorandum.

Consent

The land owners claimed that the **Addax project was presented as a 'project of the president'**. Government had signed a MoU with Addax and the president himself announced the project at a big press event. **They were informed that paramount chiefs and chiefdom councils were already 'on board'** and MPs and councillors also pitched in favour of the project. As a result land owners said they had no choice but to agree as they did not want to be seen to be in disagreement with their leaders.

Additionally, landowners claimed the leaders always spoke about the project in vague terms. **Emphasizing only the benefits (jobs, rent, and social amenities) without laying out what the cost would be to communities.** On the occasions they interacted with Addax officials or local or central authorities they were told that Addax was only interested in marginal and degraded land and not swamps or bolilands⁸ which they rely on for rice cultivation.

Further, the land owners claimed that **the terms of the lease (in draft or final form) were never explained to them.** As a result they were not aware of the content of the lease signed by their Paramount Chiefs and chiefdom councils.

⁷ An organization that implements innovative legal empowerment interventions in partnership with governments and civil society organizations in several countries including Sierra Leone. More information under: www.namati.org.

⁸ Bolilands are seasonal swamps that are used for rice cultivation.



Legal representation

Addax maintained that they provided a lawyer for the landowners. **Many of the landowners claimed not to have had any interaction with the lawyer.** Communities said they were not consulted in the selection of a lawyer for them. **Those who claimed to have interacted with the lawyer felt he was working for Addax and not the communities.** Landowners said that neither the lease agreement nor the acknowledgement agreement were explained to them by the lawyer that Addax secured for them. They **signed the acknowledgement agreements and vouchers without understanding them and without any legal guidance.**



Picture: Sonkita Conteh, Programme Director at Namati explains the land lease agreement to land owners (May 2013).

Key objections to the lease

NAMATI read and explained the content of the lease to the community members in their own language (temne). For most, if not all, it was the first time that they heard the content of the lease. They expressed dissatisfaction with the following:

1. **Leased area:** Land owners claimed that from the start, both Addax and local authorities said that only degraded and marginal lands would be used for the project. Bolilands and swamps would not be included. However, **many communities complained that their swamps and bolilands have been drained and taken over by Addax.** Most importantly, the lease covered entire villages including residential areas, roads, forests, etc, even though Addax's operations are limited to smaller areas. **Land owners and inhabitants said that it was never their intention to lease their entire community land space to Addax.**
2. **Commons:** The lease did not deal with the issue of shared resources in a fair and efficient manner. It grants the company exclusive possession over 'villages, rivers and forests and all other forms of environment'. The company has the exclusive right to determine which resources will be shared and which ones it will use exclusively. **Community members were dissatisfied with this arrangement as it left them 'at the mercy' of the company.** Since they rely heavily on the resources from the forest,



rivers, lakes, natural ponds, etc., **they would have objected to this clause had they known.** Some complained that **they and others have been arrested by the police for cutting wood in forest areas** within their villages.

3. **Rent:** Landowners complained that **the rent paid by Addax per acre did not reflect the benefit they were giving up.** They requested for a **renegotiation of the rent claiming that the amount was fixed without consulting them.** The rent, like all the other clauses of the lease, should be the subject of negotiation not imposition. Additionally land owners **did not understand the rationale for splitting the rent into portions resulting in only a 50% accrual to them.** They maintained that in the western area a landlord does not share rent with the municipal authority and that a 50% margin is huge.
4. **Social obligations:** All of the communities we visited raised the issue of 'promises' by Addax and local leaders to provide one or more of the following: jobs, boreholes, schools, clinics and community centres. **Communities expressed disappointment that their expectations were raised and then dashed.** They bemoaned the lack of any enforceable written commitment from Addax on these issues and their consequent inability to hold the company accountable.
5. **Important environmental obligations:** Communities claimed that **Addax is depleting water sources or making them unsafe as a result of the use of chemicals.** They also said that the company is destroying their swamps and bolilands permanently. Some communities **complain of serious dust pollution as well as fatalities linked to over-speeding company vehicles on dusty roads.** Others have reported an upsurge in mosquitos leading to increased malarial infections. They maintained that neither the company nor local authorities have taken their complaints about these matters seriously.

Findings

- The process leading up to the finalization of the lease was fraught with communication difficulties. **Communities understood the broad strokes of the Addax project but not the finer details.**
- Landowners were unaware of the details of the lease signed on their behalf by the chiefdom councils. Some **signatories to the lease from the chiefdom council admitted not understanding the terms of the lease themselves.** Also, **when landowners were made to sign acknowledgment agreements, the terms of the lease were not explained to them.**
- There is a case for **conflict of interest in that Addax employed and paid for legal services on behalf of the communities.** There was no **effective independent legal representation on behalf of landowners and communities** throughout the process.
- The **principle of free, prior and informed consent was seriously compromised.**



- The lease agreement contains terms which an **independent legal service provider would have objected to on behalf of landowners and communities**. These terms are: (1) provision of exclusive possession over forests, rivers, etc. (2) clause on external arbitration before an arbitration tribunal in London and (3) clause limiting landlord's right to compensation only for any breach of the lease.
- The **lease omits important clauses which are found in standard leases, including a covenant to keep the demised premises in 'good and tenantable repair,' a clause on nuisance emanating from the demised premises, and a forfeiture clause for non-payment of rent**. The omissions work in favour of the company.

Road map to resolution

Communities are in **favour of an amicable resolution** of the problems above. Similarly, Addax has manifested a clear intent to address and resolve community issues as exemplified by the Masethleh matter. An amicable renegotiation is in the interest of Addax as it will lead to harmony with the communities over the 50 year duration of the lease. **In February 2013, Namati and its programme director have been appointed by more than 35 landowning families** across the three Chiefdoms **to represent their interest in negotiations with Addax**. As of July 2013, Namati is engaging Addax and the respective Chiefdom Councils in good faith re-negotiations with a view to securing an amendment of the lease. Litigation would be considered as a last resort option.

Recommendation:

- **Addax should enter into good faith re-negotiations with a view to securing an amendment of the Land Lease Agreement.**

Resistance of Woreh Yeamah

In May 2013, the village of **Woreh Yeamah refused to allow Addax workers to demarcate and to peg the village's land**. The farmers of Woreh Yeamah **do not want Addax to take parts of their bollilands** (fertile low lands suitable for rice cultivation). Addax said it is willing to negotiate with the farmers which land will be taken by the company and which portion will be left for the farmers.

Use of bollilands and promises made in Lungi Acre

Addax Bioenergy started its operations near the Lungi Acre village in 2010. During the consultation process, **Addax or agents of Addax claimed it will not use the bollilands** (the most fertile land that is used for rice cultivation) and stated that they would only be using marginal and degraded lands. However, through monitoring exercises in the project areas, SiLNoRF and the AFLUAs **have noticed that the company is presently using large**



tracks of fertile lands including bolilands and this also affects local farmers access to fertile land for their personal cultivation. Especially in Lungi Acre, Addax took the bolilands of this community for the company's sugarcane nurseries. In 2010 the Lungi Acre community raised concerns and protested that this was not in line with the company's claim to only use marginal land. When they protested, **a local Member of Parliament, the Honorable Martin Bangura, who is not employed by Addax but is seen as an agent of Addax by local communities, promised that Addax would use the bolilands only for a period of 3 years. This period of 3 years terminates in 2013. Addax claims that it has never made this promise** and that they can use the land during the next 50 years according to the Land Lease Agreement. As of June 2013, the community is demanding Addax gives them back the boliland and SiLNoRF is concerned as this situation could unveil a high conflict potential. **This confrontation also puts to question the issue of free prior and informed consent.** Moreover, Addax has commenced using the fertile bolilands of Lungi Acre for nursery testing in 2008, well before signing the land lease agreement in 2010. So even without an agreement the peoples' land was already under cultivation.

Recommendation:

- **Addax should renegotiate and enter into a proper agreement with the Lungi Acre and where necessary to compensate them for the use of the said piece of land.**
- **Addax should compensate the Lungi Acre community separately for the period their land is being used before the signing of the land lease agreement.**

Displacement

Despite the fact that **Addax always stated it will avoid displacement, 50 people were displaced in February 2013.** These people are Fullahs, semi-nomadic people, whose livelihoods come from cattles. According to the interviews conducted by SiLNoRF, **people were forced by Addax to leave the area.** Some people interviewed stated that they were compensated by Addax. However, one family stated that they were not compensated for anything that they have lost.

In some communities Addax took the entire arable land, meaning that the **FDP fields of those communities were displaced to other villages' land** (a situation that we can call "economic displacement"). The consequence of this is that **land owners have to rent land from other villages and that they have to pay a land lease fee to use the land.** Moreover, land owners reported that it is humiliating for them to "beg other land owners for land".



Food Security

Effectiveness of the Farmer Development Programme (FDP)

The Farmer Development Programme (FDP) is a mitigation measure of Addax Bioenergy to mitigate its impact on food security. As part of the FDP, Addax claims to have ploughed 2'000 hectares of community fields which have resulted in a **harvest of 2'200 metric tonnes of rice**. During the 2012 harvest, community members **reported that the weightings of the harvested rice were biased as many rice bags contained leaves and stems**. Moreover, **only 30% of the harvest was weighted by Addax staff** according to the auditors of the lenders⁹. SiLNoRF and BFA asked farmers about the yields recorded by Addax staff: **70 farmers from 35 villages stated that Addax yield figures were largely overstated**. Therefore, **this figure of 2'200 tonnes is largely overstated**.

Addax states that the yield figures have been checked by officials of the Ministry for Agriculture, Forest and Food Security (MAFFS). However, this check was a check “on paper” that led to the linear reduction of each yield figure by an average of 2 bushels per acre.

Addax gave SiLNoRF the detailed statistics of the benefitting farmers in one village (Masorie). SiLNoRF conducted an investigation in Masorie that showed that **farmers reported much smaller yields than those reported by Addax**.

SiLNoRF interviewed many communities in the three Chiefdoms who indicated that the 2012 **rice harvests on the FDP fields were low and therefore not sufficient to ensure their food security**. Many villagers showed during a field visit in May 2013 that they **had no local rice anymore and had to buy imported rice for their own consumption**.



Imported rice in a cooking pot and women showing imported rice

⁹Nippon Koei UK, 2013. 2012 Annual Independent Public Environmental & Social Monitoring Report. Report of Lenders' Independent Environmental & Social Monitor, Nippon Koei UK. Prepared by Ron Bisset & Paul Driver. 15th May 2013. Accessed under:

http://www.swedfund.se/ABSL_2012_Annual%20Independent%20Public%20E&S_Monitoring%20Report.pdf



The reasons of the low rice harvests in 2012 were the following:

- late allocation of the FDP plots to each farmer by Addax staff, that delayed the weeding by the community,
- decrease of soil fertility of FDP fields that are used for the second or third year,
- the fact that many communities could not afford the costs of fertilizers and,
- and late land preparation by Addax tractors.

Moreover, again in 2012, some communities reported that the **quality of their seeds were poor** or not adapted to their type of soils. Some communities also reported that they were **not sufficiently consulted by the company for the selection of FDP fields and that the soil fertility was too low.**

The village of **Mabilafu (close to the factory site)** had no harvests on its FDP field because of late land preparation of Addax tractors.

Communities reported that they have to repay the costs of ploughing and of seeds and, in some cases, of the fertilizers to Addax with rice bags. Many communities reported that they had not sufficient food after this repayment.

SiLNoRF strongly believe that the company cannot claim that it “has increased the food security in the project region”, as the harvests were poor in many villages interviewed, the ownership of the FDP in the population is questionable and serious questions about its sustainability remain (see next chapters). SiLNoRF will make its own assessment of the 2013 harvest.

Recommendation:

- **Addax should provide support to the farmers in time (ploughing and allocating plots to each farmer) so that they are able to get good harvests on their community fields.**

Sustainability of the FDP

More generally, the **FDP of Addax is promoting a farming model that encourages heavy reliance on expensive external inputs**, such as chemical fertilizers, and improved and/or hybrid seeds bought from agribusiness companies. This comes at the expense of promoting sustainable agriculture approaches which are likely to benefit poor farmers much more.

Instead, the FDP should follow the findings of the International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD)¹⁰ that promotes **sustainable, low-input farming systems**, such as agro-ecological approaches, organic farming, ‘biological substitutes for agrochemicals’ and alternatives to chemical pesticides. The IAASTD argues that ‘technologies such as high-yielding crop varieties, agrochemicals

¹⁰ IAASTD, *Agriculture at a Crossroads: Executive Summary of the Synthesis Report*, 2009, p.6; *Global Summary for Decision-Makers*, 2009, p. 21.



and mechanization have primarily benefited the better resourced groups in society and transnational corporations, rather than the most vulnerable ones'.¹¹

Recommendation:

- **The FDP of Addax should promote sustainable, low-input farming systems, such as agro-ecological approaches, organic farming, 'biological substitutes for agrochemicals' and alternatives to chemical pesticides.**

Duration of the FDP

The Farmer Development Programme (FDP) is a mitigation measure of Addax Bioenergy. Under the FDP, Addax provides the seeds, ploughing and harrowing for free during the first year, with a two third discount during the second year and with a one third discount during the third year. During the fourth year, farmers have to pay the full costs. **Will the farmers be able to pay the full costs from the fourth year on? This is a concern to SiLNoRF as many farmers were already not able to pay one third of the costs during year 2 or two thirds during year 3.**

Farmers kicked out of the FDP

Communities reported that they have **to repay the seeds and, in some cases, the fertilizers to Addax with rice bags**. As a consequence, **for the first time in 2013, more than 150 farmers were kicked out of the FDP for failing to pay back the costs to Addax.**



- *Picture: Farmers kicked out of the FDP programme.*

The farmers should not be held responsible for mitigating the effects of aggravating food insecurity caused as a result of the operations of Addax. They should instead be supported to overcome these effects.

¹¹ IAASTD, *Agriculture at a Crossroads: Global Summary for Decision-Makers*, 2009, p.23.



If this is a mitigation measure, Addax has the obligation to keep it in place all time in so far as the operations will aggravate food insecurity in the communities. As SiLNoRF has already discussed with Addax itself through several engagement meetings, the ownership of the FDP is questionable and therefore its sustainability is not guaranteed.

Recommendation:

- **Addax should provide support to the farmers not just during three first years but as long as the impact of the Addax operations on food insecurity is there.**
- **Addax should design ways of ensuring sustainability of the FDP. But shifting the responsibility of the costs to the affected populations is not an option.**
- **Addax should ensure community ownership of the FDP through participation in decisions, providing the required labour, etc.**

Farmer Field and Life Schools (FFLS)

The Farmer Field and Life Schools (FFLS) is a component of the Farmer Development Programme (FDP) and is a 30 week training programme to educate smallholder farmers in better agricultural practices. SiLNoRF could witness that many community members reported they encountered **difficulties in putting into practice what they have learnt in the FFLS** because they lack the productive resources. Communities reported that graduates could not use their knowledge on the FDP fields.

Moreover, there is **no clear role for FFLS graduates that would enable them put into practice knowledge gained.** They should be able to mobilize the communities to participate in improved farming practices and provide advice to community members on weeding for instance. But this has not happened so far.

Also FFLS graduates did not receive start-up kits so that they can put their knowledge into practice.

Recommendation:

- **Addax should ensure that farmers can put the knowledge of Farmer Field and Life Schools (FFLS) into practice in an effective manner.**
- **The communities must organise themselves into Farmers Based Organisations (FBO) so that the graduates can have a community platform to put their skills into practice.**

Conclusion on food security

The farmers should not be held responsible for mitigating the effects of aggravating food insecurity caused as a result of the operations of Addax. They should instead be supported to overcome these effects.

If this is a mitigation measure, Addax has the obligation to keep it in place all time in so far as the operations will aggravate food insecurity in the communities. As SiLNoRF



has already discussed with Addax itself through several engagement meetings, the ownership of the FDP is questionable and therefore its sustainability is not guaranteed.

Recommendation:

- **Addax should provide support to the farmers not just during three first years but as long as the impact of the Addax operations on food insecurity is there.**
- **Addax should design ways of ensuring sustainability of the FDP. But shifting the responsibility of the costs to the affected populations is not an option.**
- **Addax should ensure community ownership of the FDP through participation in decisions, providing the required labour, etc.**

Water issues

Water well in Romaro

Addax altered and partially destroyed the water source of the Romaro community in May 2011 ('the Maromaro') to make space for a sugarcane field. Addax claims that when water sources are destroyed they will build water wells as a mitigation measure. **As of May 2013, this means two years after the destruction of the water source, the water well for this community was about to be completed.** When contacted on this issue Addax explained that the local contractor that was contracted to construct this water well has failed to complete the work in a timely manner. The difficult position of Addax in ensuring that they provide contracts to local contractors is understandable, but the responsibility for providing water for communities where their water sources have been affected rests on Addax.

Recommendation:

- **In future Addax should properly screen local contractors (with good track record) and award contracts to those who can deliver.**

Water well in Madrisa

Addax Bioenergy altered and partially destroyed the water source of the Madrisa community in May 2011 (The Maromaro) to make space for a sugarcane field. Addax claims that when water sources are destroyed they will build water wells as a mitigation measure. **The village relies on milky water from a water source dug close to the village.**

Recommendation:

Addax has to provide water well as soon as possible to the Madrisa community.



Picture: Milky water for the Madrisa village.

Water well maintenance in Woreh Yeamah

Addax Bioenergy destroyed the water source of the Woreh Yeamah community to make space for a sugarcane field¹². As a mitigation measure, Addax Bioenergy constructed a new water well in 2012 in this community. However, **the community asked for a written agreement from Addax obliging the company to maintain and repair the water well anytime. In 2012 and 2013, the water well broke down several times and Addax repaired it after a few months.** The community claims that, as Addax destroyed their water well, Addax should provide functioning water well as a mitigation measure during the entire duration of the Land Lease Agreement (50 years) and should guarantee their access to water at all times.

Recommendation:

- **Addax should provide functioning water well as a mitigation measure for every destroyed water source during the entire duration of the Land Lease Agreement (50 years) and should guarantee access to water for the local population at all time.**

Comment on water issues

It is important for companies, development banks, International Finance Corporation (IFC) and other interest groups to work with civil society organisations to come up with a clear definition of mitigation (mandate, period, limitation). **Mitigation should not be confused with corporate social responsibility or charity.** This seems to be the case in the Addax case at the moment.

Moreover, SiLNoRF is concerned that Clauses 4.4 and 4.6 of the Land Lease Agreement signed between the Chiefdom Councils and Addax Bioenergy Limited **giving the right to the latter to alter or divert the course of water sources** that fall within their operational areas

¹² Independent Study Report on the Addax Bioenergy Sugarcane-to-Ethanol project in the Makeni region in Sierra Leone, Anane, Mike, Abiwu, Cosmos Yao, p. 39.



has resulted in barely four years of operation to the alteration by the Addax of perennial water sources and there are fears that more water sources would be altered in the near future as the company's work progresses.

It is also noted by SiLNoRF and the AFLUAs that in June 2011 the Environmental Protection Agency (EPA) visited the affected communities to verify claims of independent study commissioned by SiLNoRF and their findings were not different from that of the independent study report. Even though the **EPA instructed Addax to provide boreholes for the affected communities**, it is **evident that the company has still not fully responded to this concern**.

Recommendation:

- **The Environmental Protection Agency should continue monitoring the access to water of affected communities.**

Recommendation for Development Banks:

- **Development banks, IFC and other interest groups should work with civil society organisations to come up with a clear definition of mitigation (mandate, period, limitation). Mitigation should not be confused with corporate social responsibility or charity.**

Dust pollution and fatalities due to road accidents

Some communities complain of **serious dust pollution by Addax vehicles on dusty roads** (for instance in Lungi Acre and Maronko). Some communities complain of **fatalities linked to over-speeding company vehicles on dusty roads**. In one village, a **boy has been killed by a company vehicle crossing the village**.

Recommendation:

- **Addax should take responsibility for their company vehicles and the damages or casualties they cause.**
- **Addax should take measures to protect people living close to roads used by the company.**

Clearing of bush areas

SiLNoRF could witness large tracks of bushes being cut by Addax trucks. Indeed, even if Addax claims to avoid forests with its project, **4,000 hectares of bush (mainly lophira scrubland) are being cleared to make space for the sugar cane monoculture**¹³. SiLNoRF could witness that many charcoal producers are producing charcoal in the area using the trees cut by Addax. When Addax will be finished with the land clearing of these 4'000 hectares of bush for its sugarcane fields, it is likely that **the charcoal producers will**

¹³ African Development Bank. 2010. Executive Summary of the Environmental, Social and Health Impact Assessment. Tunis. p. 1 and 7.



turn to the remaining forests and/or bushes in and outside the project area to produce charcoal. This means that the Addax project will have significant indirect impacts on forests and bushes in and outside the project area.



Addax trucks clearing land

Gender issues

The Northern Province of Sierra Leone where the Addax project is located is a region where women are traditionally marginalised and discriminated in many facets of life including both the use and ownership of land. **Women are not allowed to own land in this part of the country but they have some limited access to use the land. This situation could be aggravated by the Addax project.**

Women do not receive land lease agreement payments (as only male land owners can receive these payments). Many women interviewed stated the **male land owners kept the Land Lease money for them without sharing it with women.**

Moreover, only a small minority of women can be employed by the company. SiLNoRF witnessed that **a small minority of Addax workers are female (less than 10%). This figure was confirmed by Addax¹⁴.**

Recommendation:

- **Addax should monitor its impact on women and put measures in place to ensure that they are not negatively impacted by the project.**

Pressure on communities by Addax staff

During the period under review, **community members reported to SiLNoRF that they were pressured by Addax staff to accept the land lease payments from Addax.** The people of Masethleh, who resisted leasing their entire land to Addax, reported to SiLNoRF having being pressured by Addax staff on several occasions to accept the land lease payments.

¹⁴ Direct communication of Derek Higgs, then Health, Safety, Social and Environment (HSSE) Manager of Addax on May 15, 2013.



Multi Stakeholder Forum supported by Addax

The multi stakeholder forum that is supposed to be an independent and impartial forum for discussing issues of concerns emanating from the project is fast becoming a rubber stamp of Addax. **SiLNoRF has therefore declined to serve in the multi stakeholder monitoring committee** of the Multi-Stakeholder Forum facilitated by the University of Makeni because the **independence and impartiality of this committee has been weakened by Addax because “Addax has to give its consent” before the committee could investigate any complaint and issue brought to it.**

Recommendations:

- **Even though Addax is providing the resources for the organisation of the multi stakeholder forum, the forum should carry out its work independently and should not require „Addax to give its consent“ before the committee could investigate any complaint or issue brought before it.**
- **There is the need for a more independent funding of the multi stakeholder forum to minimise the influence of Addax. The financial institutions might consider playing a role in this. In this case the current terms of reference which gives Addax much leverage to influence the independence and impartiality of the forum and the committee should be amended.**

Health issue: mosquitos and malaria

Communities, such as Romaro or Lungi Acre, that are surrounded by pivots (circular sugarcane fields) of Addax, reported **that the number of mosquitoes has increased**, because mosquitoes can breed even during the dry season, as Addax fields are irrigated during the dry season. This leads to **increased malarial infections.**

Recommendation to Addax:

- **Addax should monitor the mosquitoes and the incidences of malaria in the project region and should take measures to protect communities against the malaria risks.**

Water pollution

Many community members reported their **fear of contamination of their water streams and sources by the fertilizers and the herbicides used by Addax** on their sugarcane fields. Indeed, there is a risk that fertilizers and herbicides are washed away during heavy rains or when Addax irrigates the fields (as excess irrigation water flows into small water streams that are then used by community members for drinking purposes).

SiLNoRF and Bread for all **took two water samples in two water streams** that flow out of sugarcane fields close to Mabilafu and Maronko. Water samples were taken when the



sugarcane fields were being irrigated, i.e. when excess irrigation water flew out of the fields into the water streams. The water samples were analysed by a laboratory in Switzerland. The results of toxicological analysis showed that:

- The surface **water was polluted by an herbicide called Diuron** (0.4 µg per Litre in Maronko and 20 µg per Litre in Mabilafu). It is to note that **Diuron is forbidden in France due to its toxicity and ecotoxicity** (it can affect ecosystems, habitats and species in several manners¹⁵). The **European Union banned Diuron in 2007 but allowed it in 2008 in spite of its toxicity but considers it as being part of dangerous substances that will be progressively banned**¹⁶.
- The surface **water was polluted by phosphate** (between 0.06 mg per Litre in Maronko and 0.3 mg per Litre in Mabilafu, thus **exceeding for instance the guideline value of <0.05 mg/l for drinking water applied in Switzerland**). Phosphates are coming from chemical fertilizers. Addax is using NPK-fertilizers made of phosphate, nitrate and calcium.



Addax employee working with fertilizers



Addax worker spraying herbicides



SiLNoRF team member taking a water sample close to a sugarcane field

Water consumption

According to the African Development Bank, the quantity of water required for the project peaks at up to 7m³/s in the driest months (February to April)¹⁷. Moreover, the outflow from Bumbuna Dam (upstream of Addax) in February-April will be 27-28 m³/s. This means that the project will use **25% of the river flow during the driest months** (February to April), raising concerns on the ability for downstream users to withdraw water from the river.

¹⁵ <http://en.wikipedia.org/wiki/Diuron> and <http://fr.wikipedia.org/wiki/Diuron#Toxicologie>.

¹⁶ <http://en.wikipedia.org/wiki/Diuron> and <http://fr.wikipedia.org/wiki/Diuron#Toxicologie>.

¹⁷ African Development Bank. 2010. Executive Summary of the Environmental, Social and Health Impact Assessment. Tunis.



Issues of insecurity and violence

Strikes by workers

There were **several strikes by workers** of Addax in 2012 and in 2013, **some of which became violent and led to the arrest of most of these striking workers**. During a strike, Addax **accused some workers (among them the leaders of the striking workers) of theft and fired them**. Later the charges were dropped out because the company could not provide any evidence. **Addax dismissed these striking workers and didn't re-engage them even if the charges against them were dropped out.**

The reasons of the strikes were the following:

- **wages:** workers were struggling for wage increases;
- **conditions of service:** workers were struggling for better conditions of service,
- **discrimination** between national workers and expatriates; Sierra Leonean workers complained that they have to drink water from a well while expatriates were provide with bottled water.

Recommendation:

- **Addax should recognise the ILO Standards¹⁸ and core labour rights (e.g. the right to unionize and the right to industrial action of the workers).**

Addax providing support to the Sierra Leone Police

SiLNoRF could witness that the **Sierra Leone Police (SLP) used Addax vehicles in some occasions to enable the SLP to carry its work around the Addax operational areas in the two districts**. SiLNoRF was informed that **Addax is providing services (such as car maintenance and repair services) to the SLP for free**. While we welcome any support to the SLP with the genuine intention of improving the general performance of security forces we are however worried that this support might be used by the company to ensure that the Sierra Leone Police acts in the interests of the company and not in the interests of the population. **The Sierra Leone Police has already been regularly accused of alleged human rights violations** in the region.

Recommendation:

- **Addax should disclose its support to the Sierra Leone Police (SLP) and refrain from acts seeming to influence the work of the SLP in its favour.**

¹⁸ ILO Standards are standards from the International Labour Organisation. The ILO Standards are conventions agreed upon by international actors set forth to protect basic worker rights, enhance workers' job security, and improve their terms of employment on a global scale. More information: <http://www.ilo.org/global/standards/lang--en/index.htm>



Compensation for economic trees

Considering the long term economic value of some tree crops such as palm tree, **SiLNoRF and affected communities are concerned that the amount paid by Addax as compensation for such tree crops is inadequate**, moreover when it is a one-off payment. **Addax pays a compensation of SLL 35'000 (about USD 8) as compensation for one palm tree**, but in reality a palm tree can have a productive life of between 30 and 35 years. A study¹⁹ estimated that the value of palm oil and nut oil alone that is produced from one palm tree is **SLL 83'300 (about USD 19) per year!** This estimate has been corroborated by officials of the Ministry of Agriculture in Bombali and Tonkolili Districts where Addax is operating.

Recommendation:

- **Addax should increase the compensation for destroyed palm trees.**



Picture: Palm trees.

Generous tax exemptions

An analysis²⁰ of tax exemptions and fiscal incentives of land grabbing companies in Sierra Leone published in July 2013 showed the following: **about USD 135 million will be foregone by Government of Sierra Leone through tax exemptions granted to Addax for 13 years (2009-2022)**. Addax is being given generous tax exemptions and fiscal incentives at great expense to the government of Sierra Leone and the population of the country.

¹⁹ "WHO IS BENEFITTING"? The social and economic impact of three large-scale land investments in Sierra Leone: a cost-benefit analysis. A study commissioned by ALLAT, SiLNoRF, Christian Aid, and Bread for all (among others). July 2013.

²⁰ "WHO IS BENEFITTING"? The social and economic impact of three large-scale land investments in Sierra Leone: a cost-benefit analysis. A study commissioned by ALLAT, SiLNoRF, Christian Aid, and Bread for all (among others). July 2013. P. 85.



Part III: Conclusion

While SiLNoRF acknowledges that **some positive evolutions** have taken place during the period under review, there are **several issues of concern that need to be addressed as soon as possible**. SiLNoRF will continue to monitor the positive developments and the issues of concern in the future. For some most issues, there is a need of monitoring during the entire duration of the land lease (i.e. during the next 50 years, or even 71 years).



Picture: There is a need to monitor the project for future generations.

Cover pictures:

- Above left: ethanol factory site at Mabilafu.**
- Above right: irrigation system on a sugarcane field.**
- Below left: Addax truck transporting herbicides.**
- Below right: sugarcane harvester.**

Credits of the pictures in this report: SiLNoRF and Bread for all.